

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

DEREGULATION OF LOCAL EXCHANGE)	ADMINISTRATIVE
COMPANIES' PAYPHONE SERVICE)	CASE NO. 361

O R D E R

On August 5, 1997, Coin Phone Management Company ("Coin Phone Management") filed a motion for a public hearing to review the basic payphone service tariffs of BellSouth Telecommunications, Inc. ("BellSouth"), GTE South Incorporated ("GTE") and Cincinnati Bell Telephone Company ("CBT"). The purpose of the hearing would be to determine whether those tariffs comply with the requirements of Section 276 of the Telecommunications Act of 1996 ("the Act"), the orders of the Federal Communications Commission ("FCC") in CC Docket No. 96-128, and the orders of the Commission in this case. BellSouth responded to the Coin Phone Management motion on September 4, 1997. GTE and CBT have filed no responses.

The FCC orders in CC Docket No. 96-128 require that the intrastate tariffs for payphone services and unbundled functionalities be cost-based, consistent with the requirements of Section 276 regarding the removal of subsidies from exchange and exchange access services, and nondiscriminatory. The Commission has approved the tariffs of the Local Exchange Carriers on an interim basis in compliance with the FCC requirement that intrastate tariffs be approved by April 15, 1997. The interim approval affords the opportunity to review these tariffs and establish rates that conform with the FCC orders. The motion of Coin Phone Management should be granted so that the

Commission may fully investigate payphone services, the unbundled functionality rates and competition in the payphone industry.

IT IS THEREFORE ORDERED that:

1. BellSouth, GTE and CBT shall appear before this Commission on December 4, 1997 at 9:00 a.m., Eastern Standard Time, in Hearing Room 1 of the Commission's offices at 730 Schenkel Lane, Frankfort, Kentucky, to testify regarding the cost basis for each network service provided to payphone providers and the tariffed rates that comply with the FCC's orders and the Act.

2. The following is a reasonable procedural schedule and shall be followed:

The Commission and intervening
parties shall issue information requests,
if any, by no later than October 31, 1997

Responses to the data requests are due
no later than November 14, 1997

Pre-filed testimony of all witnesses shall
be filed no later than November 25, 1997

Done at Frankfort, Kentucky, this 20th day of October, 1997.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:


Executive Director